



State of Louisiana

DIVISION OF ADMINISTRATION OFFICE OF INFORMATION TECHNOLOGY

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5/8/2003

Office Of Information Technology

Information Technology Bulletin 03-06

Subject: Microsoft Licensing

Where statewide standards for Microsoft software have been established, entities under the authority of OIT as defined by R.S. 39:15.1, et seq, should be aware of the difference between an "OEM License" and a Select or EA License, and the pro's and con's of each.

What is an OEM License?

An OEM (Original Equipment Manufacturer) License is a *limited* license for a Microsoft product that has been "pre-installed" on a new PC by an OEM (i.e., Compaq, Dell, HP, IBM, etc.). OEM Licenses are permanently "attached" to the system it came with. As part of the OEM licensing program OEM's may modify product code to suit their specific needs including code for:

- * Microsoft Office & individual components
- * Microsoft Works
- * Games, etc.

Why does an OEM License appears attractive?

Often customers chose OEM licenses because it "appears" easy and inexpensive. They receive a 1:1 ratio for their hardware and software and it helps simplify compliancy concerns. It's a convenient way to receive a "ready-to-go" box with all the costs rolled into one simple price.

Limitations of OEM Licensing For State and Local Government Customers:

OEM Versions are designed for home users and small businesses. *OEM versions lack the needed features to deploy over a network and are not recommended for Enterprise Customers.*

For instance, OEM versions of Microsoft Office have significant and numerous licensing restrictions including:

1. An OEM version of Office XP is a different product from the Select/Enterprise versions of Office XP.
2. OEM Products can NOT be deployed or distributed over a network with a single key code. (The Volume License Product Key (VLK) allows you to deploy Office without requiring users to activate the product. VLK's are NOT available for OEM Versions)
3. OEM Licenses cannot be re-imaged and do not offer secondary-use rights (use on a home computer or Laptop that is used less than 15 % of the time).
4. OEM applications are different (OEM Pro with Publisher vs. Select Pro with FrontPage).
5. Each time a new machine is purchased, a new software license must be purchased. Software Assurance, which takes into consideration the initial investment in a full license and doesn't require the "re-purchase" of license, is not an option. OEM licenses must be repurchased each time a new machine is purchased. The OEM license always "lives and dies" on the original machine and can NOT be transferred.
6. OEM Product Licenses do NOT automatically include the Microsoft Office Resource Kit/documentation and tools.
7. OEM versions do NOT include the "Custom Installation Wizard" and "Custom Maintenance Wizard."
8. OEM versions do NOT include support for the /a (administrative Setup) and /q (quiet installation) command-line features. (By running Office XP Setup with the /a command-line option, you can create an administrative installation point on a network share. When you create the administrative image, you can accept the end-user license agreement (EULA), supply an organization name, and enter the Volume License Product Key on behalf of all users who will install Office from this location)
9. OEM versions do NOT include support for the /q (quiet installation) command-line feature. (By default, Setup installs Office XP with a full user interface and displays a completion notice at the end of the installation. In many large organizations, however, it is more efficient to install Office without any user interaction. In this case, the recommended setting is /q. This option is not available in OEM versions.
10. The State does NOT get credit towards existing volume purchase agreements (Select and EA) for the purchase of OEM software.

Based upon the above information, the Office of Information Technology does not support the purchase of OEM software for the State's enterprise desktops. Agencies should assure that software which is pre-installed by a manufacturer is purchased via Select or EA.

If you have any questions about this topic, please contact James Howze or Barbara Oliver at 225-219-9470.